

*HISTORY OF MODERN BANKS OF
ISSUE.*

gold of the world. The German government kept an account with the London Joint-Stock Bank which was believed to run as high as $\text{£}4,000,000$ (\$20,000,000)* and by watching the market were able to rapidly carry gold into Germany. The law establishing a uniform coinage (Act of December 4, 1871) did not adopt the five-franc piece as the unit, as recommended by the convention of 1868, but adopted a unit called the mark, equivalent to one-third of a Prussian thaler, and established the ratio of fifteen and a half to one between gold and silver. The provision of the treaty of Vienna, providing for the coinage of the union thaler of silver, was repealed. Gold legal tender coins were provided for, but the Imperial gold standard was not fully established until the coinage act of July 9, 1873, when it superseded all local standards and made the monetary unit the mark of gold.* The Imperial silver coinage was to be carried on on government account, and limited to ten marks per capita, and was to be a legal tender for only twenty marks between individuals, but payable in any sum to the government. The new silver coins were made mere token coins, by reducing the weight of the fine silver eleven and one-ninth per cent, below the full weight at the ratio of fifteen and a half to one and coining a pound of fine silver into one hundred marks and a pound of fine gold into 1395 marks.

One of the interesting incidental results of the new coinage laws was the termination of the career of the old Bank of Hamburg, which had for more than two and a half centuries been carried on on the principles of the Bank of Venice and the Bank of Amsterdam* The accounts of the bank were kept in marks banco, representing a bank credit of the uniform value of half a thaler (37 $\frac{1}{2}$ cents), and its notes were redeemable in silver. The Bank of Hamburg, founded in 1619, was the last survivor of the medieval banks, created

¹ Bagehot, *Lombard Street*> Works, V., 199-202.

³ The exact equivalent of the mark in American gold coin is twenty-three and eight-tenths cents, but for convenience of computation in dealing with large figures it is treated in this work as substantially equal to a quarter of a dollar.